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TURKEY INDUSTRIALS

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Projects are on track

- Summa Group, an international construction contractor diversifying into the long-term sustainable business of operating airports and running hospitality facilities, with a well-established footprint in Sub-Saharan Africa, has started 2019 with a project pipeline of cEUR1.7bn. In Q1, the company has primarily been focused on Diiori Hamani International Airport in Niamey, Niger – the project has reached c70% completion. Once it reaches 75% completion, Summa will take over operational management of the airport, under a 30-year concession agreement.
- **The modernisation of Diiori Hamani International Airport**, Summa's first full-cycle build-operate-transfer project, is a EUR154mn investment, funded through a combination of debt (EUR100mn) and equity (EUR54mn). Under the terms of the concession agreement, Summa is entitled to a EUR52 infrastructure development charge per departing international passenger, collected directly from the International Air Transport Association (IATA) – the trade association for the world's airlines. The project is at an advanced stage of construction, with new passenger and cargo terminals, passenger boarding bridges, a presidential pavilion, new taxiway and airport utility centre all approaching completion (Figures 1-6 on page 2).
- **Niamey Hotel is on track to be completed in June 2019**. International hotel brands are yet to roll out their franchises in Niger. Summa's EUR38mn investment in a 191-room hotel is an opportunity to be at the frontline of the new entrants and a valuable addition to modernised airport infrastructure in the region. Once completed, the hotel will add to the company's revenue-generating properties, increasing income from its property management and hospitality business.
- **Other projects**. In Moldova, where Summa already has a portfolio of income-generating real estate investments, the company has continued to work on the MallDova Office Plaza and Hotel, which has reached c55% completion, and Chisinau Arena, where c15% of works have been completed (as of end-February). In Rwanda, Summa has commenced construction of a sports facility: a 10,000-seater indoor stadium commissioned by the Rwanda Housing Authority and Ministry of Sports and Culture. The Khartoum International Airport project, meanwhile, which accounts for c42% of Summa's project pipeline, has been on hold since December 2018, when the continuing political protests started in Sudan.

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Contact:

Kiti Pantskhava, CFA
+44 (0) 207 725 1036
kiti.pantskhava@exotix.com

Vahaj Ahmed
+971 4 447 9207
vahaj.ahmed@exotix.com

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Figure 1: New DHIA project



Source: Summa Group

Figure 2: New DHIA project



Source: Summa Group

Figure 3: New terminal building, 23 February 2019



Source: Summa Group

Figure 4: New terminal building, 23 February 2019



Source: Summa Group

Figure 5: New terminal building, 23 February 2019



Source: Summa Group

Figure 6: Presidential pavilion and apron, 23 February 2019



Source: Summa Group

Table 1: Project pipeline, 2019-22 (as of 12 December 2018)

Country	Project	Type	Progress	Expected completion	Currency	Contract value (mn)	Summa's investment (mn)	Employer/partner commitment (mn)	Debt financing (mn)
SSA									
Benin	Sofitel Hotel and renovation of Cotonou International Conference Centre	Construction (design & build)	in progress	2020	EUR	137		137	
Republic of Congo	Kintele Congress Complex ¹	Construction (design & build)	in progress	2020	EUR	277		277	
Senegal	Dakar Olympic Stadium	Construction (design & build)	in progress	TBD	EUR	250		250	
Rwanda	Indoor Stadium (10,000 -seater)	Private-public partnership (PPP)		2019	US\$	104	30	31	43
Sudan	Khartoum International Airport (Phase I)	Build-operate-transfer (BOT)		2022	US\$	900	135	365	400
Niger	Diori Hamani International Airport	Build-operate-transfer (BOT)	in progress	2019	EUR	154	54		100
Niger	Niamey Hotel	Hospitality and property management		2019	EUR	38	13		25
Total SSA						1680	203	989	488
Other countries									
Moldova	Chisinau Arena	Private-public partnership (PPP)		2019	EUR	41	7	10	14
Moldova	Malldova Plaza Hotel and Office Complex	Hospitality and property management		2019	EUR	35	11		25
Total other countries						76	18	10	39
Total pipeline and projects in progress²						1,756	221	999	526

Source: Company data, Exotix Research

¹ Total project value – EUR477mn; remaining contract value – EUR277mn.

² US\$-denominated amounts translated into EUR using US\$1.22 to EUR1 exchange rate.

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